

RESOLUTION NO. 74413

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE APPROVING PROPOSER RANKINGS FOR THE AIRPORT FOOD AND BEVERAGE AND RETAIL CONCESSION PROGRAM AND AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE CONCESSION AGREEMENTS AND AMENDMENTS

WHEREAS, after extensive community and business outreach, as well as industry input, the City of San Jose ("City") issued the Food & Beverage and Retail Request for Proposals ("RFP") for the Norman Y. Mineta San Jose International Airport ("Airport") on October 12, 2007; and

WHEREAS, the RFP contained five groupings, or packages, for the location of specific food & beverage and retail concessions; and

WHEREAS, Packages 1 and 2 consist of retail concessions, Packages 3 and 4 consist of food & beverage concessions and Package 5 is a comprehensive package that includes all locations for both food & beverage and retail concessions contained in Packages 1 through 4; and

WHEREAS, thirteen distinct proposals from six different proposers were received by the submittal deadline of January 24, 2008; and

WHEREAS, the proposals were evaluated and ranked by an impartial evaluation committee that included representatives from the airport industry, business, tourism and labor; and

WHEREAS, based on the criteria in the RFP and the rankings of the evaluation committee, it is recommended that Package 1 (retail) and Package 4 (food & beverage) be awarded to Host International, Inc., Package 2 (retail) be awarded to AMS-SJC JV, and Package 3 (food & beverage) be awarded to Areas USA SJC, LLC;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE THAT:

The City Manager is hereby authorized to:

- (a) Negotiate and execute Concession Agreements between the City of San Jose and the following entities, effective from the date of execution by the City Manager through June 30, 2020:
 - (1) Host International, Inc. for the construction and operation of retail concessions at the Airport listed as Package 1 of the Food & Beverage and Retail RFP, with a minimum annual concession fee guarantee to the City of \$1,620,000.
 - (2) AMS-SJC JV, for the construction and operation of retail concessions at the Airport listed as Package 2 of the Food & Beverage and Retail RFP, with a minimum annual concession fee guarantee to the City of \$2,000,000.
 - (3) Areas USA SJC, LLC, for the construction and operation of food and beverage concessions at the Airport listed as Package 3 of the Food & Beverage and Retail RFP, with a minimum annual concession fee guarantee to the City of \$1,726,200.
 - (4) Host International, Inc., for the construction and operation of food and beverage concessions at the Airport listed as Package 4 of the Food &

Beverage and Retail RFP, with a minimum annual concession fee guarantee to the City of \$2,860,000.

- (b) Terminate negotiations with any of the recommended proposers for Packages 1 through 4 and to negotiate Concession Agreements with lower-ranked proposers in order of their ranking for each package, in the event that the City Manager determines that the City and the recommended proposer cannot agree upon the terms of the Concession Agreement by August 1, 2008.
- (c) Negotiate and execute amendments to the Concession Agreements for expansion or contraction of locations and modification or replacement of concepts and subtenants during the overall term of the Concession Agreements, so long as no changes are made in the provisions in the Concession Agreements regarding percentage rent or MAG to be paid to the City.

ADOPTED this 10th day of June, 2008, by the following vote:

AYES: CAMPOS, CHIRCO, CORTESE, LICCARDO, NGUYEN,
OLIVERIO, PYLE, WILLIAMS, REED.

NOES: NONE.

ABSENT: CONSTANT.

DISQUALIFIED: CHU.

CHUCK REED
Mayor

ATTEST:

LEE PRICE, MMC
City Clerk

